

## AGREEMENT

This Agreement is entered into as of this 31<sup>st</sup> day of January, 2001, by and between Greve Financial Services, Inc., a California corporation ("Greve") and Angeles Chemical Company, Inc., a California corporation ("Angeles"), relative to: (i) debits to a line of credit of Greve maintained at Farmers and Merchants Bank to facilitate remediation (exclusive of ground water remediation) of hereinbelow described Subject Property; and (ii) to create a vehicle by which ground water remediation of hereinbelow described Subject property can be facilitated, all in connection with the acquisition by Greve of the Subject Property pursuant to a Real Estate Purchase Agreement.

WHEREAS, Greve is acquiring the real property commonly described as 8915 Sorensen Avenue, Santa Fe Springs, California ("Subject Property"), legally described in attached Exhibit "A", from Angeles; and

WHEREAS, as a component of the purchase price certain environmental remediation work is required to be performed upon the Subject Property at the expense of Greve; and

WHEREAS, Greve has arranged for a line of credit in the amount of not less than Four Hundred Thousand Dollars (\$400,000.00) ("Remediation Line") from Farmers and Merchants Bank for the purpose of funding the remediation (non-ground water remediation) work necessary upon the Subject property, and for no other purpose; and

WHEREAS, Farmers and Merchants Bank, in funding the purchase price to Greve for the acquisition of the Subject Property and providing the Remediation line, has also required that Greve make Available a fund of up to Two Hundred Thousand Dollars (\$200,000.00) to be utilized, as needed, for the purpose of funding ground water remediation work necessary upon the Subject Property ("Ground Water Remediation"), and which Angeles has agreed to help satisfy by making a third party pledge of a certificate of deposit in the amount of One Hundred Thousand Dollars (\$100,000.00) to secure payment of one-half of the costs of Ground Water Remediation ("Certificate of Deposit"); and

WHEREAS, Farmers and Merchants Bank, in funding the purchase price to Greve for the acquisition of the Subject Property and providing the Remediation Line, has required that debits to the Remediation line and for Ground Water Remediation, be subject to its review and approval to insure authorized usage; and

WHEREAS, the parties wish to further define the conditions upon which disbursements will be made from the Remediation line; those conditions upon which Farmers and Merchants Bank may debit the Certificate of Deposit for the

purpose of paying for Ground Water Remediation upon the Subject Property; as well as the terms for repayment to Angeles by Greve to the extent that debits are, in fact, made to the Certificate of Deposit.

NOW, THEREFORE, the parties agree as follows:

1. Contemporaneous with the close of escrow, and as a condition thereof, for sale of the Subject Property to Greve by Angeles, the Remediation Line shall be established at Farmers and Merchants Bank and which shall be in an amount of not less than Four Hundred Thousand (\$400,000.00)(the "Remediation Funds").
2. Two signatures shall be required for any debit to be made to the Remediation Line, one of which shall be John Locke, President, Angeles Chemical Company, Inc., and/or its representative or assignee, and the other of which shall be Joseph E. Kennedy, General Manager, Greve Financial Services, Inc. In addition to the two signatures, the parties hereto understand that Farmers and Merchants Banks, in advancing the Remediation Funds to Greve and as a condition thereof, shall also monitor disbursements from the Remediation Line to insure that all disbursements therefrom have been properly made for the payment of the costs of the remediation.
3. From time to time, but not more frequently than weekly, Greve shall present a schedule of required disbursement from the Remediation line to Angeles. Said requests for disbursements shall be accompanied by documentation reasonably necessary for Angeles to determine the appropriateness of the charges, the percentage of work completed and the remaining work to be performed. Angeles shall have three (3) business from its actual receipt of the schedule and supporting documentation to object to any proposed distribution. A failure to object in the time permitted shall be deemed to be approval of any disbursement request contained on the schedule and will preclude later objection. Following expiration of the three (3) day period and in the absence of timely objection, Greve shall prepare drafts upon the Remediation Line and shall submit them to Angeles for its counter-signature.
4. From time to time, but not more frequently than monthly, Greve shall present a schedule of required disbursements to satisfy costs of Ground Water Remediation to Angeles, said schedule shall be accompanied by documentation reasonably necessary for Angeles to determine the appropriateness of the charges, the percentage of work completed and the remaining work to be performed. Angeles shall have three (3) business from its actual receipt of the schedule and supporting documentation to object to any proposed distribution. A failure to object in the time permitted shall be deemed to be approval of any disbursement

request contained on the schedule and will preclude later objection. Following expiration of the three (3) day period and in the absence of timely objection, Greve shall advise Farmers and Merchants of payments necessary at that time to satisfy Ground Water Remediation work performed and Farmers and Merchants Bank shall debit, upon the next maturity of the Certificate of Deposit, that amount necessary to satisfy one-half of the cost of the Ground Water Remediation work performed to that date, but only upon the condition that Greve shall have made available to Farmers and Merchants Bank, from its own funds, the other half of such cost.


5. In the event that a dispute shall arise between Greve and Angeles with respect to the appropriateness of any schedule disbursement, and in the event that the matter cannot be resolved between the two parties, that matter shall be submitted to a mediator to be jointly selected so that resolution may be obtained within the most expeditious period of time possible. In any such mediation, Farmers and Merchants Bank shall also be a participant.
6. At such time as the remediation process has been completed (to be evidenced by Letter(s) of Closure from the appropriate governmental authorities), and in the event that some portion of the Remediation Line remains undisbursed, such excess funds shall be remitted to Greve, who shall be the beneficiary of any savings in the costs of remediation. To the extent that some portion of the Certificate of Deposit remains undisbursed, upon its next scheduled maturity, such excess funds shall be released to Angeles.
7. Greve acknowledges that a component of the purchase price of the Subject Property is its obligation to expend up to Four Hundred Thousand Dollars (\$400,000.00) to remediate (non-ground water remediation) the Subject Property and up to Two Hundred Thousand Dollars (\$200,000.00) for Ground Water Remediation of the Subject Property, and to obtain a Letter(s) of Closure from the appropriate governmental authorities. The Remediation Line and the pledge of the Certificate of Deposit have been established for this purpose. Greve hereby agrees to indemnify Angeles up to the amount of Four Hundred Thousand Dollars (\$400,000.00) for costs of remediation to the extent that the Remediation Line is debited in an amount less than that sum and which results in liability to Angeles for the remaining costs of remediation. This indemnity obligation shall be secured by recordation of this agreement which shall create a security interest in the subject property. Furthermore, at the time the Letter(s) of Closure from the appropriate governmental authorities have been received, Angeles agrees to execute a Reconveyance to be recorded, reconveying the Deed of Trust securing of this agreement from the real

property commonly known as 8915 Sorenson Avenue, Santa Fe Springs, California and legally described on Exhibit "A" attached hereto.

8. Greve acknowledges that in exchange for Angeles pledging the Certificate of Deposit, and to the extent that debits are made thereto in satisfaction of one-half of the costs of Ground Water Remediation, that it has an obligation to reimburse Angeles therefore, without interest. Greve and Angeles agree that this obligation to repay Angeles is in the nature of a non-recourse obligation and shall be satisfied only from proceeds of the re-sale of the Subject Property, and then only to the extent that such proceeds exceed those monies necessary to satisfy the obligation of Farmers and Merchants Bank secured thereby, plus any principal reductions previously made ("Excess Proceeds"). All Excess Proceeds shall be divided evenly between Greve and Angeles until the claim of Angeles shall have been satisfied in full, and thereafter one hundred percent (100%) of such Excess Proceeds shall go to Greve.

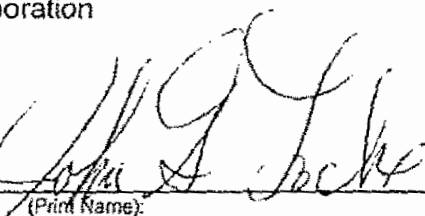
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Greve Financial Services, Inc., a California Corporation

By:   
(Print Name)

Its: C. E. O.  
(Print Title)

Angeles Chemical Company Inc., a California Corporation

By:   
(Print Name)

Its: PRESIDENT  
(Print Title)